1990-91 as far as royalty rates are concerned;

(b) if so, why it was separated from F & G grade of coal while revising the rate of royalty on coal under Government of India Notification dated 12th October, 1994;

(c) whether Government of Gujarat has represented to the Central Government for its claim of higher rates of royalty;

(d) what action is taken by Government following the request of the State Government; and

(e) whether Government are aware of the fact that the State Government is suffering revenue loss due to the inaction on the part of the Central Government?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI P. A. SANGMA): (a) to (c) Royalty on lignite was fixed for the first time in July, 1990 at Rs. 2.50 per tonne. Lignite has been categorised as Grade 'V' coal alongwith 'F' & 'G' Grade non-coking coal.

Rates of royalty on coal were earlier revised in August, 1991. The rate of royalty on lignite was not revised at that time as its revision was not due. The rate of royalty on lignite continues to be at Rs. 2.50 per tonne though the rates of royalty on coal have been further revised recently.

In the recent past a proposal has been received from the Government of Gujarat for revision of royalty rates on lignite and also for allowing higher royalty on lignite produced in Gujarat.

(d) to (e) Any upward revision of royalty rate on lignite will lead to availability of higher revenues to the concerned State Governments. The views of the Government of Gujarat will be considered at the time of deciding revisions of royalty rates on lignite.

Cases against Controller of Imports and Exports, Pondicherry

*180. SHRI V. GOPALSAMY : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the CBI has been directed/approached to institute cases against illegal gratification in grant of licences to Best Fabrics by Controller of Imports and Exports, Pondicherry :

(b) whether any duty exemption was granted to that firm;

(c) whether polyester suitings worth rupees four crores were imported by the firm through Madras and Cochin ports in connivance with the concerned officials;

(d) whether any concerned officials were charged or not; and

(e) if not, the reasons therefor ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) No, Sir. CBI, however, has requested the Dte. of Revenue Intelligence (DRI) for certain records relating to the case against M/s. Best Fabrics, Madras, to whom advance licences were issued by the Controller of Imports & Exports, then working in the Office of Jt. DGFT, Madras, who is presently working in the Office of Dy. DGFT, Pondicherry. The records have been transmitted to CBI by the DRI.

(b) The advance licences were issued under duty exemption scheme and the same qualified for duty exemption with prescribed export obligation.

(c) Investigations conducted by DRI have revealed that M/s. Best Fabrics and its associates had fradulently imported various goods including polyster suitings through the port of Cochin & Madras, involving duty evasion of over Rs. 4 crores.

(d) and (e) The concerned officials of DGFT have been issued show-Cause Notices for issuing an Advance Licence with erroneous description. Involvement of Costoms officials has also been reported

False Claims on Products of Mass Consumption

1688. SHRI KRISHAN LAL SHARMA : Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state :

(a) whether Government are aware that new products of mass consumption are being introduced daily in the country;

(b) whether it is a fact that false claims are being made about these new products;

(c) whether Government have evolved any machinery to check such false claims being made before these products are introduced in the market;

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI H. R. BHARDWAJ): (a) Yes, Sir.

(b) to (e) The Ministry of Civil Supplies, Consumer Affairs and Public Distribution has no mechanism to check the false claims before or after a new product is introduced in the market. However, false claims constitute an offence under the Consumer Protection Act, 1986 and the Monopolies and Restrictive Trade Practices